



Legislation Text

File #: 22-1273, Version: 1

Recommendation to adopt resolution approving the Annual Report for October 1, 2022, to September 30, 2023, for the Zaferia Parking and Business Improvement Area, declaring its intention to levy the annual business assessment, and setting the date of hearing for November 15, 2022. (Districts 2,3,4)

The Zaferia Parking and Business Improvement Area (ZPBIA), formerly known as the East Anaheim Street Parking and Business Improvement Area, was established by the City Council in 2010, allowing for the levy of an annual business license assessment to be paid by businesses located in the ZPBIA. The City of Long Beach (City) contracts with the Zaferia Business Association (ZBA) to manage the ZPBIA and the ZBA Board of Directors serves as the Advisory Board to the City Council on matters related to the ZPBIA. The ZBA promotes and markets the commercial area along East Anaheim Street using funds generated through the ZPBIA business license assessment.

State law governing Parking and Business Improvement Areas requires that an annual report be submitted to the City Council by the Advisory Board designated for this Assessment District. On August 4, 2022, the ZBA Board of Directors voted to recommend to the City Council approval of the 2022-2023 ZPBIA Annual Report (Annual Report) (Exhibit A to the Resolution).

The Annual Report describes boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment. The Annual Report proposes no change to the ZPBIA boundaries or the method of levying the assessment and no significant change to proposed activities.

The Annual Report, transmitting the recommendations of the ZBA, proposes the following assessment rates.

Method of Assessment

The estimated Fiscal Year 2023 revenue from business assessments is \$127,800. Assessments are calculated by category of business and incorporate a base rate plus a per employee rate. Businesses categories and rates are as follows:

- Type 1 Businesses: Retail, recreation, and entertainment, unique businesses, and banking institutions, must pay annual assessment fees of:
 - o Base fee: \$300 per year except that secondary licensees in these classes are

- o exempt;
- o Employee Fee: \$15 per employee up to \$300 maximum.
- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile, must pay annual assessment fees of:
 - o Base Fee: \$200 per year except that secondary licensees in these classes must pay a base fee of \$120;
 - o Employee Fee: \$15 per employee up to \$300 maximum.
- Type 3 Businesses: Non-residential space rental businesses must pay an annual assessment fee of:
 - o Base Fee: \$120 per year;
 - o Employee Fee: not applicable.
- Type 4 Businesses: Nonprofit businesses must pay an annual assessment fee of:
 - o Base Fee: \$100 per year;
 - o Employee Fee: not applicable.
- Type 5 Businesses: Home-based businesses that voluntarily choose to be a member of the organization must pay an annual assessment fee of:
 - o Base Fee: \$100 per year;
 - o Employee Fee: not applicable.

Residential property rentals are exempt from the assessment.

Each year, the City calculates the Consumer Price Index (CPI), an adjustment for consumer goods and services, and applies the CPI to various City fees on July 1st of each year. Parking and Business Improvement Area Advisory Boards may request a CPI adjustment for business license assessments. The ZBA is not requesting a July 2023 CPI adjustment.

The recommended Resolution grants approval of the Annual Report, declares the intention of the City Council to levy the assessment for proposed activities, and sets the date of the public hearing for November 15, 2022.

This matter was reviewed by Deputy City Attorney Marsha Yasuda on October 14, 2022 and by Budget Management Officer Rhutu Amin Gharib on October 7, 2022.

City Council action is requested on November 1, 2022, to set the date of the public hearing for November 15, 2022. The new contract year began on October 1, 2022.

It is estimated that the ZPBIA will generate \$127,800 in Fiscal Year 2023 through the proposed continuation of the assessment. Assessment funds are collected by the City on

behalf of the ZBA through additional fees attached to ZPBIA business licenses and passed directly through to the ZBA for implementation of annual programs. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHNNY VALLEJO
ACTING DIRECTOR
ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER